

PRIMELINE ENERGY HOLDINGS INC.
FOR IMMEDIATE RELEASE

PRIMELINE WILL CONTINUE TO EVALUATE LISHUI 36-1 DISCOVERY

March 5 2002, London, England. Primeline Energy Holdings Inc. (CDNX: PEH), ("Primeline" or the "Company") announces that China National Offshore Oil Corporation ("CNOOC") and Primeline will continue their efforts to commercialize the Lishui 36-1 gas discovery in Block 32/32.

Primeline and CNOOC are continuing with technical evaluation following the completion of Lishui 36-1-3 well as announced on 3rd January 2002, although future efforts will now be focused on the area around the Lishui 36-1 discovery. Therefore on expiration of the Second Phase of Exploration Period of the Petroleum Contract on 28th February 2002, the Parties have agreed not to enter the Third Phase of Exploration but to retain the portion of the contract area equal to 512 sq. kms., which covers the gas discovery and its surrounding related prospects and leads. An agreement to this effect was signed between CNOOC and Primeline on 28th February 2002.

This new agreement will allow the Company to continue to pursue commercialization of the gas resources in the Lishui 36-1 gas discovery complex during the next three years. It does not provide for a specific expenditure commitment. However, depending on the result of the technical evaluation, any additional work undertaken and the development of the onshore gas market, Primeline and CNOOC may decide on a future exploration work programme. Primeline is pleased to report that it has retained an option to increase its participation interest in future development and production on terms to be agreed by the parties at the time based on the level of Primeline's financial participation in the next phase of exploration work.

Primeline currently owns 75% of the Contractor's interest in the Petroleum Contract for Block 32/32, East China Sea, which entitles the Company to a net participation interest of 11.25% in any future development and production from the Block. Block 32/32 now encompasses 512 sq. km.s in the East China Sea.

The Company's shares are listed on the Canadian Venture Exchange under the symbol 'PEH'.

"Peter Kelty"

Peter Kelty
Director
Primeline Energy Holdings Inc.

For More Information Please Contact:

Primeline Investor Relations

Tel. + 44 20 7499 8888

Fax. + 44 20 7499 2288

Toll Free: 1 877 818 0688

E-Mail primeline@pilp.com

Web Site: www.primelineenergy.com

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this News Release.
